

# **Building a Strong NOP**

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Good morning. Thank you for the kind introduction and welcome. I appreciate the opportunity to join you during your policy conference.

I've been Under Secretary for Marketing and Regulatory Programs for about 19 months now, but my roots are in ranching in South Dakota. However, if I were farming full-time today, I would be taking a very careful look at the opportunities that organic farming offers.

You represent products that are in growing demand and that offer enhanced value for both consumers and producers. That's a very attractive combination.

This morning, I want to share with you our efforts to strengthen the credibility and reputation of the National Organic Program. As the program continues to grow, we want to make it more transparent. That's vital for everyone.

As you know, with the budget increase this year, the National Organic Program has begun establishing a stronger structure, expanding its staff and giving greater emphasis to compliance activities as well as increasing transparency. Our new structure features three branches:

- Standards Development & Review
- Accreditation, Auditing & Training, and
- Compliance & Enforcement

Barbara Robinson is the new acting director of NOP, in addition to continuing as AMS Deputy Administrator of Transportation and Marketing Programs. She'll be speaking with you this afternoon in greater detail about the changes we're making.

One effort, I know she'll be sharing with you is the work we're doing to strengthen the NOP by developing and conducting a stringent training program for our

certifying agents. We'll also be offering training for the folks who handle the accreditation and renewal audits of our certifying agents.

### **Certifying Agents**

Certifying agents are our first line of defense in enforcement. Even though NOP is now five years old, we continue to get questions from the certifying agents that have never been asked before.

Our answers to those new questions set precedent and affect the bottom line for many organic businesses. The answers can also affect the confidence that consumers place in the USDA organic seal.

That's why training our agents and responding to their questions is so important. We want to be sure they have the information they need to inform their clients to be sure everyone is up-to-date and complies consistently with the regulations.

### **Enforcement**

We're committed to effective enforcement, and we want to do a better job. Each year NOP averages more than 100 complaints—and we investigate them all.

Since 2002, our certifying agents have suspended certification for 711 operations and revoked certification for 72 certified operations. This includes 120 suspensions and 11 revocations that foreign certifying agents have undertaken.

We're already seeing increased attention to the quality of enforcement of organic regulations from USDA-accredited certifying agents in foreign countries. NOP has conducted extensive audits of certifiers and certified operations in Europe, South and Central America, China, Australia, New Zealand and Canada.

### **Canada**

Speaking of Canada, USDA has been engaged in very productive discussions with the Canadian authorities on the equivalence of USDA National Organic Program standards and the upcoming Canadian organic standards. Since Canada is our number one agricultural trading partner, maintaining a smooth flow of organic products back and forth over our northern border is very important. We're doing everything possible to build and strengthen this vital link with our largest export market.

I understand that representatives from OTA served on the industry/government committee that helped develop Canada's organic standards. I commend you for investing the time and effort in this project to produce the Canadian standards.

### **Farm Bill Proposals for Organic**

As the National Organic Program moves forward, we know we need more data. Today, about 2.5 percent of the food market is organic, with retail sales at \$15 billion. But the market is increasing 15 to 20 percent each year.

Organic farmers need access to market information—is there a market for what they expect to produce? What prices can their products command? Processors, wholesalers and retailers also want data on supplies and prices. And our trading partners are interested in this information.

AMS develops this data for conventional farmers. They can use it to plan crop plantings and make marketing decisions. Now we need to provide similar information to organic farmers.

USDA has submitted recommendations for the next farm bill that would strengthen NOP. We've recommended increasing cost-share reimbursement for certification from \$500 to \$750—and expanding it from 15 states to all 50. We'd like to see USDA authorized to spend up to \$5 million in mandatory funding for this effort.

In addition, we've requested increased data collection funding as well as comprehensive price reporting funds. Further, we're seeking an additional \$10 million in mandatory funding for organic research. We've also recommended that organic farmers be eligible for the proposed enhanced Environmental Quality Incentives Program. And our proposal for increased funding for the Market Access Program would permit organic agriculture to compete for MAP funding.

### **Transparency**

As I mentioned earlier, a critical goal for NOP is increasing transparency. That's not just an important value for a public agency. It's also a practical matter.

Currently our staff is buried under FOIA requests. We need them to spend more time on their core work. We need to find a better way to provide the information the public is seeking.

Rather than responding to individual requests for data, we're simply going to make all the information we have available to all who want it all the time. What we're doing is creating an electronic reading room on the Internet. All NOP records that are public will be available at this site for electronic access—24/7, no special request required.

We hope making this information easily accessible will reduce the number of FOIA requests we receive, freeing our staff to focus on other work.

I'm a big believer in transparency. A commitment to transparency will greatly improve management and customer satisfaction.

### **Rulemaking**

As we strengthen NOP, a number of our efforts will involve rulemaking. I want to let you know where we stand on several projects.

We're moving forward on the proposed rule on access to pasture. You will see it in the spring.

As always, we're continuing to work on the sunset of materials on the national list—the National Organic Standards Board receives new petitions to consider at every meeting.

We're also working on an Advanced Notice of Proposed Rulemaking to resolve ambiguities and inconsistencies involved in the origin of livestock. One of the issues to be covered in this rulemaking is progeny of clones.

### **Cloning**

I want to take a few minutes to talk about cloning. That's been a major issue on my desk recently.

NOP determined more than a year ago that cloning was incompatible with the Organic Foods Production Act and prohibited under NOP regulations. Last March the National Organic Standards Board recommended that NOP add "animal cloning technology" to the definition of "Excluded Methods" and update other sections of the rule to ensure that all generations of progeny of cloned animals would be excluded.

One of the issues that we've needed to address with cloning is whether products from cloned animals or their progeny should be labeled as such. I've suggested that one option for those who, for whatever reason, prefer to avoid clones and their progeny, is to purchase organic products.

While there are only about 600 animal clones in the U.S., there are many more progeny. FDA's determination that food from cattle, swine and goat clones and their progeny is safe to eat opens the doors for products from these animals to move into the market.

We've requested a voluntary moratorium on bringing clones into the market, which will continue during a time of transition. However, products from progeny will be moving into the market. Completing the rulemaking that provides clarity on exclusion of clones and progeny from NOP will be helpful in offering a clear alternative for customers who seek one.

### **Conclusion**

I'm pleased with the changes that NOP has made and will be continuing under Barbara Robinson's leadership. I believe 2008 will be a real turning point for this program.

I know we share the goal of ensuring the integrity of the USDA organic seal. The best way to accomplish that is to create strong standards, provide high quality training to certifying agents, consistently monitor and enforce the standards and manage the program in a transparent manner.

I especially appreciate the help OTA has provided. We welcome your continued input and partnership as NOP grows.